

FUND OBJECTIVE

To achieve moderate capital growth by investing in a portfolio of Shariah-compliant collective investment schemes that invest in Shariah-compliant equities and/or Sukuk.

FUND DETAILS

Launch Date	1 December 2017	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	73,281 units (31 December 2018)	Fund Size	RM68,812 (31 December 2018)
Unit NAV	RM0.9390 (31 December 2018)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd	Target Fund	CIMB Islamic Balanced Wholesale Fund-of Funds
Benchmark	50% Quantshop GII Medium Index + 50% MSCI AC Asia ex Japan Islamic Index	Taxation	8% of annual investment income
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> ▪ Have a long-term investment horizon ▪ Want a balanced portfolio that includes Shariah-compliant equities and Sukuk ▪ Want a portfolio of investments that adhere to Shariah principles 	Fees	<ul style="list-style-type: none"> ▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Strategic Balanced Fund. ▪ Up to 1.5% of per annum fund management charge is applied on the target fund's NAV by CIMB-Principal Asset Management Berhad.

ASSET ALLOCATION OF THE TARGET FUND

Common Stock	Cash
84.91%	15.09%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Fund	84.91%
Cash	15.09%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic DALI Equity Fund	40.87%
CIMB Islamic Sukuk Fund	22.24%
CIMB Islamic Enhanced Sukuk Fund	21.80%
Total	84.91%

PERFORMANCE RECORD

This fund feeds into CIMB Islamic Balanced Wholesale Fund-of-Funds (“target fund”) with the objective to achieve moderate capital growth by investing in a portfolio of Shariah-compliant collective investment schemes that invest in Shariah-compliant equities and/or Sukuk.

Table below shows the investment returns of Sun Life Malaysia Islamic Strategic Balanced Fund versus its benchmark as at 31 December 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-6.10%	-1.11%	-3.86%	-2.82%	N/A	N/A	-6.10%
Benchmark	-6.46%	-2.59%	-5.45%	-4.74%	N/A	N/A	-6.06%

***Notice: Past performance of the fund is not an indication of its future performance which may differ. The fund performance is not guaranteed.**

FUND MANAGER'S COMMENTS

In December, the Fund declined 1.11%, outperforming the Benchmark by 1.48%. YTD basis the Fund declined by 6.10% outperforming the benchmark by 0.36%. The Fund will stay fully invested in target funds.

Islamic Asian ex-Japan equities declined 4.8% (US\$) in December 2018 but outperformed MSCI World Islamic (-7%). China was the worst performing major market with more signs of economic slowdown and skepticism of deal-making progress between US and China. Part of the US yield curve (5 year) inverted for the first time in more than a decade and Brent oil fell 8.3% amidst concerns on global economic growth. Following on last months FED testimony that US interest rates were closing in on ‘neutral levels’, Chairman Powell further indicated less tighter monetary policy by announcing that they will be ‘patient’ in deciding on any more interest rate increases, and ‘wouldn’t hesitate’ in pausing its balance sheet shrinkage if it was necessary.

Foreign equity exposure has a Beta of ~0.94x and 94% invested. We are Overweight in Real Estate (Reits) and Information Technology, Underweight Materials, Consumer Discretionary and Utilities. Domestically, The FTSE Bursa Malaysia Shariah Index (FBMS) ended December lower by 1.11% to close at 11,504 pts. For 2018, the FBMS is lower by 13.52%. The Street expects the budget deficit to narrow from 3.7% in 2018 to 3.4% in 2019 as the government draws on Petronas’s financial resources with a RM30bn special dividend. On the back of all these uncertainties, we reiterate our capital preservation investment strategy with preference on big cap GLCs and companies with strong fundamentals and solid cash flow and dividends in sectors such as Utilities & Renewable Energy, REITs, Consumer Staples and Industrials. For fixed income, we continue to overweight corporate sukuk with focus on primary issuances for better yield pick-up.

Source : CIMB-Principal Asset Management Bhd

Date : 31 December 2018

Disclaimer:

The benchmark performance is not a guide to future performances which may differ. The performance of the fund is not guaranteed. The value of the fund will fluctuate and may fall below the amount of premiums paid and the fund value depends on the actual performance of the underlying investment. This material is for information purposes only and is subject to change at any time without notice. Sun Life Malaysia does not guarantee its accuracy, completeness, correctness or timeliness for any purpose or reason. This information should not be considered as advice or recommendation in relation to your account or particular investment objectives, financial situation or needs. You may not revise, transform, or build upon this material without prior written consent of Sun Life Malaysia. Before acting on any information you should seek independent financial advice.